



FY21 Sustainability Report

People
Place
Planet



Statement from the Chair and CEO

People. Place. Planet. Our ambitions for 2025 and beyond

InvoCare's purpose — 'honouring life, celebrating memories for generations' — intersects in a genuine and direct way with our maturing commitments to our Environment, Social and Governance (ESG) goals and five-year strategic plan.



Building on a long, rich heritage, we are now combining generations of experience and care for our client families and engagement in our local communities, with material investment in our Sustainability Strategy and its programs. Our aim is to ensure InvoCare is here for generations to come, as a responsible and active industry leader across the core sustainability areas of **People, Place and Planet**.

We recognise both the huge opportunities and the substantial challenges that go hand-in-hand with achieving genuine ESG progress in our business — an international footprint, hundreds of premises and facilities, large vehicle fleets, energy-intensive operations, a diverse workforce with considerable safety responsibilities and our commitments to community.

During 2021, a materiality assessment and the subsequent design of our new Sustainability Strategy were major milestones, sharpening our focus on the priority areas where we can make a real difference. The materiality assessment — a critical first step — engaged our businesses, employees and external stakeholders in the conversation and gave us some national and international context to better understand the sector's ESG performance. Our resulting refined ESG objectives now align to seven of the United Nation's Sustainable Development Goals (SDGs) and are closely integrated with our overarching InvoCare business strategy, with an initial focus on "Raising the Bar".

Olivier Chretien
Chief Executive
Officer



Bart Vogel
Chair



Statement from the Chair and CEO

The enhanced Sustainability Strategy already has excellent traction with the Board and Executive Leadership Team, supported by our capital commitments in operating budgets and our new Innovation Hub. The Hub is a platform for InvoCare to connect with start-ups, researchers, not-for-profits and other partners to bring innovation to the sector. Through the Hub, we have already made an investment in Memories, an innovative digital legacy platform, and partnered with Violet, a not-for-profit organisation which helps people talk about and prepare for the end-of-life. Importantly, our teams and stakeholders will have a clear 'line of sight' to the contribution sustainability initiatives make to our success and our future.

Our strategic initiatives are aimed at delivering exceptional service to our client families, satisfactory returns to our shareholders, and sound capital management and commercial integrity remain critical focus areas.

The ongoing pandemic continued to underscore the vital role InvoCare businesses play in our communities across Australia, New Zealand and Singapore. Uncertainty and disruption significantly increased operational complexities, including our teams' efforts to support and care for families and clients in the face of ever-changing restrictions. It is a credit to everyone that we recorded improved customer satisfaction across all of our businesses, doing so safely and in line with our values. We are continuing to build on the lessons learned and many sustainability-related innovations from the past two years.

InvoCare's Sustainability Strategy is a roadmap to our 2025 ambitions and beyond — our thanks to all who had input to its development. We are proud to launch it in this report, and to share updates on progress made during 2021 on existing programs.

Bart Vogel
Chair

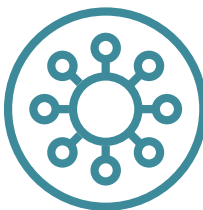
Olivier Chretien
Chief Executive Officer





People

- › **Health and Safety Strategy** launched, aimed at developing and delivering innovative, sustainable interventions that promote team member safety and reduce injury, illness and fatal risk.
- › **LTIFR decreased 22 per cent** from 2020.
- › **Training and development enhanced online**, building leadership bench strength and skills.
- › Design and implementation of our **Evolve Frontline Management Development Program**, with over 50 participants completing the program in 2021.
- › Our customer experience continued to improve with a leading **+80.1 NPS** and we **partnered with Memories** to offer client families an innovative digital way to honour and celebrate loved ones.



Place









- › **Inclusive funerals** offering expanded to reflect diversity of our local communities, including a new location for **Galaxy Funerals** in Burwood, NSW.
- › Ongoing capital investment in **asset revitalisation, operational workflows and shared services** including new facilities in Albion Park Rail, Cairns, Tullamarine, and Victor Harbor.
- › Memorial parks welcomed community commemoration events for **Father's Day and ANZAC Day**, adapting the approach to these due to COVID restrictions.
- › On **White Ribbon Day** we promoted caring and respect, with local events and a moving tribute from our White Ladies in Sydney's Martin Place.
- › Launched a partnership with **Violet**, a not-for-profit working to **reduce regretful outcomes** in the last stage of life for Australians, caregivers and families.



Planet

- › **Sustainable product and service options** continued to develop, catering for client interest in eco-friendly offerings and targeting potential reduction of environmental impact from our operations.
- › **Solar panel installation** was completed at our Malaga operations centre in Western Australia.
- › **Electric vehicle trials** are under way in Australia and New Zealand.

2021 performance

Dimension of sustainability	Aspects	Metric	2020 actual	2021 goal	2021 actual
Modern slavery risk mitigation	 8 DECENT WORK AND ECONOMIC GROWTH	High-risk category contracts committed to compliance with fair work provisions (new contracts)	N/A	100%	Target was met Actual 100%
Ensuring customer expectations are met	 8 DECENT WORK AND ECONOMIC GROWTH	Average net promoter scores (NPS)	+79.4	+80	Target was met Actual 80.1
Mitigating physical injury and psychological harm	 3 GOOD HEALTH AND WELL-BEING	Lost Time Injury Frequency Rate (LTIFR)	Reduced by 11.6%	Reduce by 10%	Target was met Reduced by 22%
Ensuring women and men have equal opportunities	 5 GENDER EQUALITY	Gender balance	60:40	Within 60:40	Target was nearly met Actual 61 women: 39 men
Ensuring employees are happy in their roles	 10 REDUCED INEQUALITIES	First-year voluntary employee turnover rate	Reduced by 1.6%	20%	Target was nearly met Actual 21%
Minimising gas and electricity consumption	 12 RESPONSIBLE CONSUMPTION	Energy	TBD	TBD	Pending*
Minimising carbon emissions	 13 CLIMATE ACTION	Emissions	N/A	TBD	Pending*
Ensuring appropriate levels of return on capital employed (ROCE)	 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	ROCE	8.6%	>10%	Target was met actual 11.2%

*Commenced a full inventory verification of fuel sources

2025 and beyond: Sustainability Strategy a strong foundation for success

InvoCare's inaugural materiality assessment identified the Environmental, Social and Governance (ESG) issues relevant to our operations, gave us an understanding of what matters to our stakeholders, and laid the foundations of our enhanced organisation-wide Sustainability Strategy.

Under the guidance of some external expertise, we assessed and engaged both internal and external stakeholder perspectives, considered and prioritised our non-financial risks and opportunities, and took a 'big picture' view of the overall impact of our businesses. We also considered the ESG context and performance of our sector at national and international levels.

Aligned with the InvoCare business strategy and the Sustainability Leadership pillar, we will be officially launching this enhanced Sustainability Strategy in 2022. The in-depth research on which it is based gives us a strong and measurable framework for achieving our targets and actioning innovation in the coming years. Our goal is to be future-focused, with sustainability considerations playing a core role in guiding corporate strategy, risk mitigation and investor relations.



Commercial integrity

Commercial integrity is also a critical strategic focus for us, and we are now making much more considered choices with a sustainability lens for new business cases, our general business dealings (including integration of acquired businesses), and sound capital management. As we set out in our strategy presentation in May 2021, our approach to capital management is focused on:

- › Sustaining our leading asset base
- › Preserving the strength and resilience of our balance sheet, which will be critical in ensuring we have the flexibility and financing to underwrite strategy execution
- › Disciplined allocation of capital to investment opportunities to drive strategic outcomes aimed at growing enterprise Return on Capital Employed

Our strategic initiatives are aimed at delivering satisfactory returns to our shareholders, represented by compound annual growth in Operating Earnings Per Share (EPS), which, when converted via a preferred dividend payout ratio of between 60 and 80 per cent, is intended to yield meaningful dividend growth in dividends per share terms to our shareholders.

The materiality assessment process

- 1 Material issues shaping priorities:**
Review and update to reflect 'current state' for InvoCare.
- 2 Understanding the state of ESG in our sector:**
Analysis of national/international peers, media coverage, reporting and policy requirements.
- 3 Engaging our people and our stakeholders in strategic conversations:**
Bringing employee ideas and key stakeholder feedback into play to help us prioritise ESG initiatives and investigate material issues — thorough input from and testing with InvoCare Board, Executive Leadership Team, operational leaders, employees and industry associations and suppliers.
- 4 A Sustainability Strategy 'owned' by the business:**
Working with a select group of InvoCare leaders to build the ESG framework and shape the strategy and priorities.

Reframing our ESG focus areas

Our material issues, and the seven United Nations' Sustainable Development Goals (SDGs) to which they align, have evolved as a result of the materiality assessment. The selected SDGs now align more cohesively to our vision — to be entrusted with all lives, as a respected pillar of our communities and a leader in our field. As we mature in our sustainability reporting and activity, our thinking and direction will be refined, targeting the areas most material to us and our stakeholders and where we can make the greatest contribution.

The following focus areas are the framework for our planning and activity up to 2025. As the Sustainability Strategy is multi-year, some of our activities and evaluation processes under each theme are still in development and will be documented in subsequent reports.



Resilient and responsive through COVID-19

Adaptation, responsiveness and care were the hallmarks of InvoCare's ongoing efforts as COVID-19 impacted our communities and business operations for a second year.

Led by our COVID-19 Taskforce — a group of employees with specialised skills and experience from across the business that fields questions, interprets public health orders, and advises and guides our teams — our whole-of-organisation focus has been first and foremost on safety for our teams and our client families. Despite significant challenges we maintained our vital services in line with a constantly changing environment of government guidelines and restrictions everywhere we operate.

Our facilities, training and scale made us one of the leading providers for supporting families during the pandemic. Because of this, the emphasis on our safety systems, clinical practice and employee mental health and wellbeing has been critical. For our frontline teams, managing funeral arrangements with families in already stressful and emotional situations and last-minute changes to attendance limits or other rules were often extremely challenging to manage.

Following public health order vaccination mandates, which affected funeral service attendance in Australia and New Zealand, our goal was to provide physically and psychologically safe workplaces. Security guards were engaged to assist as COVID Marshalls at select locations. We also installed vaccination compliance signage at memorial parks and venue entrances, and increased intervals between bookings to reduce time pressures for processing vaccination status at services.



We maintained our COVID-safe protocols in line with our Safety Plans and regularly communicated with our teams. We also provided operational and policy updates, new training options, and access to external advice and our Employee Assistance Program.

Flexibility and collaboration continued to be key attributes of our response. Despite our advocacy in Australia and New Zealand, our industry was not immediately granted 'critical worker' status, resulting in staffing levels and service challenges during lockdowns, and a need to extend work-from-home options for non-customer facing roles. Our IT Team was integral in the transfer of our entire Sydney customer care centre and Support Office teams to remote work during lockdowns.

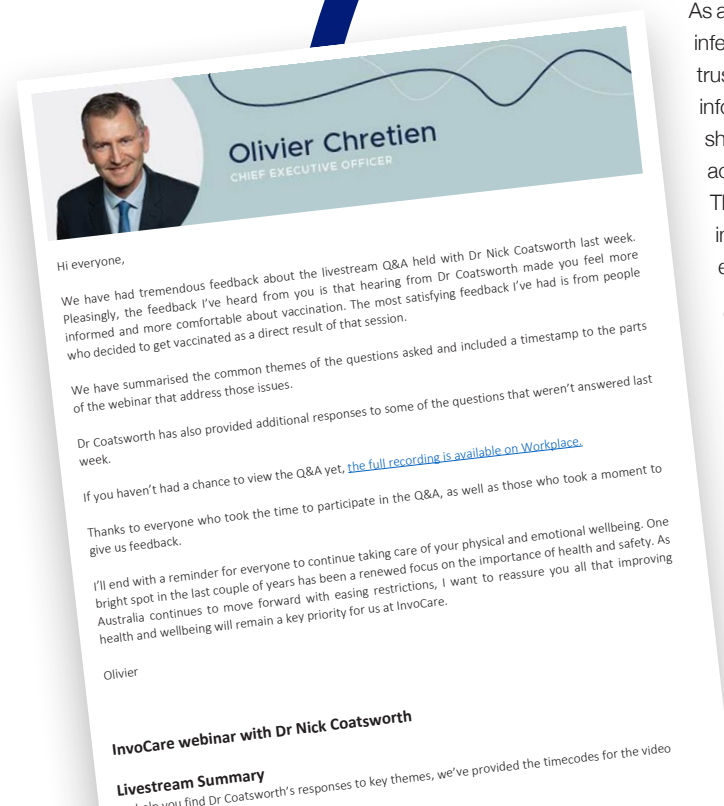
As lockdowns progressed and severely restricted the number of attendees at services, we saw a significant increase in our funeral streaming services — each month, we are streaming approximately 1,650 services. With the easing of restrictions, the number of attendees in our chapels began to return to pre-lockdown levels and our funeral streaming attendees also remained relatively constant. This has digitally transformed the accessibility of funeral services to even more people, including those with limited mobility or ability to travel. Our Property Team also managed and delivered 40 projects across Australia and New Zealand — upgrades, refurbishments, and renovations — despite disruptions to supply chain, labour and materials availability.

Resilient and responsive through COVID-19

In Singapore, InvoCare owns and operates two funeral home brands — **Singapore Casket Company** and **Simplicity Casket**. Both businesses have continued to manage the stringent safety requirements introduced at the beginning of the pandemic. Service restrictions, regular cleaning and sanitising of offices, funeral parlours and vehicles, compulsory mask-wearing, temperature checking of visitors, and ensuring the correct personal protective equipment (PPE) is worn and disposed of safely have all become part of daily operations.

From InvoCare's perspective, the lessons learned from COVID-19 make a significant contribution to our sustainability thinking, business continuity and future focus, and we believe our values were genuinely 'lived' at many levels as a guide to decision-making and approach.

“ We are incredibly proud of our people's resilience through these challenging times. We commend their ongoing commitment to care and deliver to the highest possible standard, their ability to scale and embrace new solutions and systems, and how diligently they followed strict and changing protocols. ”



Expert COVID advice a big drawcard: Dr Nick Coatsworth

The COVID-19 pandemic has sharpened the focus on safety, health and wellbeing, particularly given the high-exposure industry in which we work. To keep our people informed, Dr Nick Coatsworth — a Clinical Associate Professor at Australian National University and Australia's former Deputy Chief Medical Officer — hosted a webinar and Q&A session for our team members.

As a specialist in respiratory medicine and infectious diseases, Dr Coatsworth is a trusted and reliable source of COVID-19 information. He answered audience questions, shared personal stories, and promoted accurate and accessible medical information. The conversation covered booster shots, the implications of vaccinating children, vaccine side effects, and the symptoms of 'long COVID'.

Over 250 employees joined the live stream, with many more watching the recording and sharing what they learned with friends and family. Feedback was very positive, helped clarify complex pandemic and vaccination information, alleviated concerns and anxiety around the pandemic and clarified official health advice.





Our performance: People

People are at the heart of our business — our team members, the clients and families we serve, and the communities in which we operate. We strive to create a caring and inclusive culture where people feel respected and safe. In line with our values of Collaboration, Accountability, Responsiveness, Excellence and Safety, we enable development, training, safety and wellbeing so our diverse team of outstanding people can best use their talents to deliver high-quality services.



Gender equity – overall performance

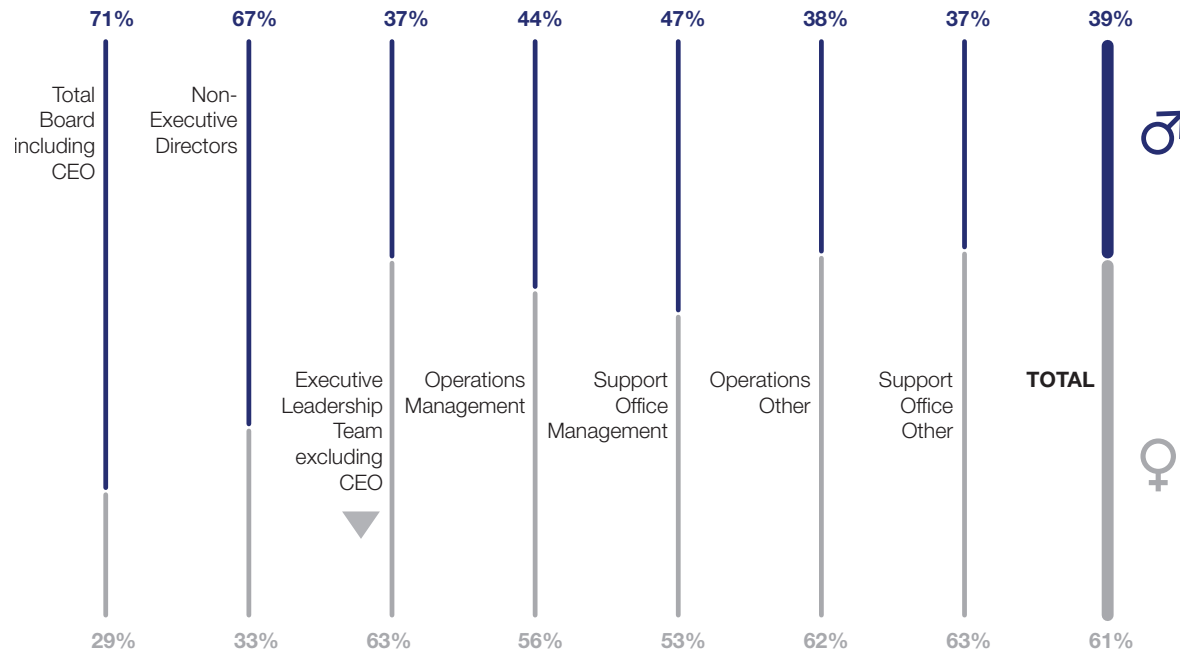
Remaining in balance

At the end of 2021 the overall proportion of females to males within InvoCare remained close to our target limits of 60:40, with females comprising 61 per cent of the workforce, up 1 per cent from 2020.

Similar to 2020, the proportion of females in 2021 in both non-management operational and support office roles was slightly outside our ideal limits at 62 per cent and 63 per cent females, respectively.

The proportion of females in 2021 in both operations and support office management were within target range at 56 per cent and 53 per cent respectively.

InvoCare Gender Balance



Aligning our balance at the top

In 2020 we reported a 57 per cent female / 43 per cent male split in InvoCare's Executive Leadership Team.

At the end of 2021, the gender balance in this group was slightly outside our targeted 60:40 boundaries, with 63 per cent female and 37 per cent male, as listed below. This excludes the CEO who is counted among the Board.



Adrian Gratwicke
Chief Financial Officer



Steve Nobbs
Executive General Manager – Cemeteries & Crematoria



Fergus Kelly
Executive General Manager – Stakeholder Engagement



Lynne Gallucci
Executive General Manager – Australian Funerals



Victoria Doidge
Executive General Manager – Customer



Amanda Tober
Executive General Manager – Human Resources



Grace Westdorp
Executive General Manager – Health, Safety & Sustainability



Heidi Aldred
General Counsel / Company Secretary

Healthy and well teams

We keep everyone safe, everywhere and every day

InvoCare now has an overarching Health and Safety Strategy, aimed at developing and delivering innovative, sustainable interventions that promote team member peak performance and reduce injury, illness and fatal risk. Centred around four pillars — governance, operational excellence, physical wellbeing, and psychological wellbeing — the strategy underpins our commitment to injury reduction and harnessing the health benefits of good work.

Over the course of the year, we grew and invested in our Health and Safety Team, bringing depth of expertise and experience to provide a relentless focus on injury prevention and early intervention, resulting in a significant reduction to our Lost Time Injury Frequency Rate (LTIFR).

The team has also undertaken foundational work to build programs aimed at reducing fatal risk. Hazardous manual-tasking risk in funerals was mapped out with future mitigation measures developed, there was a focus on personal and facility security risk, and safety in design for new facilities was progressed with assistance from an ergonomic expert. Our local injury response capability was enhanced, and a psychologically supportive leadership program was developed.

To reinforce safety as a core value we added an 'S' for 'Safety' to our company values (from CARE to CARES) to reflect the importance of this pillar in everything we do. This also meant Safety was introduced as a new award in our 2020 CARES Awards, with a hybrid event held in March 2021 to celebrate the award recipients.



Significant LTIFR reduction achieved

Since growing our Safety and Injury Management teams, and introducing clearer targets and safety management plans, we have made great progress in reducing our Lost Time Injury Frequency Rate (LTIFR).

From 2020 to 2021, we recorded a pleasing 22 per cent reduction in our LTIFR. Thanks to all of our teams for their dedication to putting safety first.



Prioritising mental health and wellbeing

In challenging times, psychological health and wellbeing takes on particular importance. Throughout the year, InvoCare rolled out a range of resources to support our team with managing their mental health.

This included sharing helpful webinars — such as Parenting While Working From Home — to our teams, and dedicating a week of recognition in support of R U OK? Day. During this week, we shared a range of mental health resources focusing on elderly, men's and women's mental health. We also challenged our teams to get creative and post something on our internal communication platform Workplace featuring the campaign's signature yellow colour to raise awareness.

During 2021 we developed a program aimed at mitigating psychosocial risk and enhancing leadership capability to improve performance, engagement, productivity, and mental health outcomes. The program will be implemented in 2022.



Healthy and well teams

Employee listening strategy expands

For a business centred on care and support for client families in times of need, having a genuine connection to the 'employee voice' and understanding their views are integral aspects of our approach to wellbeing and planning.

The first phase of our new 'employee listening strategy' took shape in 2021 with the modernisation of our employee engagement measurement. The new-look **Your Say** survey received over 7,000 comments, giving us baseline data about employee experience and, as it is leveraging an externally recognised platform, enabled benchmarking against similar-sized organisations and industries.

Expanding the scope in 2022, feedback from new starters and insights from those leaving the organisation will be more systematically gathered. The investment in **Your Say** highlights the importance of employee experience and engagement in our culture and our future.

Leave policy: Supporting employee needs

Underlining InvoCare's focus on diversity, equity and inclusion, various leave policies were updated in 2021.



The **Parental and Partner Leave policy** for Australian and New Zealand employees, historically very limited in reach, was expanded. Primary carers may now access eight weeks' paid parental leave, with secondary carers entitled to two weeks' paid leave.



InvoCare's new **Family and Domestic Violence Leave Policy (FDV)** was launched in Australia, demonstrating our commitment to supporting employees experiencing or dealing with violence in their personal lives. InvoCare's deep commitment to making a difference is highlighted in our support for White Ribbon Day. We also established a volunteer employee action group, made up of employees from across Australia, to develop and guide work on raising awareness and FDV-prevention initiatives. We thank them for their commitment and contribution.



The Team at Tuckers Funeral & Bereavement Service, Victoria

Productive, fulfilling and decent work

Evolve joins Aspire to build leadership bench strength

Expanding and investing in our leadership development offering plays a key part in our sustainability approach. InvoCare's leadership programs are innovative and helping us to grow capability, retain skills and knowledge, and provide genuine career pathways for both our emerging frontline and mid-level managers.

Our new **Evolve program** — designed in partnership with Harvard ManageMentor® — gives first-class management development for leaders and managers in their workplace. The emphasis is on applying skills in everyday situations through a combination of online modules and practical 'live' discussions. To date, 54 Australian and New Zealand employees have completed Evolve, with 60 places allocated for 2022.

Aspire's second cohort of 16 mid-level leaders joined the program in 2021. In addition to integrated learning activities and skills development, small teams work on practical business projects for presentation to executive and senior leaders. In 2021, projects included getting started on developing InvoCare's employee value proposition (EVP), exploring opportunities focused on diversity, equity and inclusion (DEI), and expanding our range of products and services. Aspire is already proving its worth for InvoCare and for participants, evidenced by a number of promotions to more senior and expanded roles.

Evolve
Aspire

Masterclass and new joiner skilling

Building industry knowledge, upskilling our people, and reinforcing our service and care culture were the focus for expanded Induction and Masterclass programs offered online in 2021. More than 12,000 online courses were completed, including role-specific induction modules. These were in addition to our employees' practical and on-the-job training.

More than 12,000 online Induction and Masterclass programs completed — focused on industry knowledge + skills + service and care culture

Leadership forum goes virtual

Making the most of the communication flexibility offered by technology in times of travel and event restrictions, we live streamed a 'virtual leadership forum' in November.

An annual highlight, the forum gives leaders the opportunity to reconnect with InvoCare's vision and strategy, reflect on ways of leading, and voice feedback to the Executive Leadership Team.

Guest speakers were Melissa Reader, CEO of Violet (our partner charity helping people talk about and prepare for the end-of-life — violet.org.au), and Dr Jordan Nguyen, one of Australia's most innovative engineers and a thought-leader on the intersection between technology and humanity.



Melissa Reader
CEO
of Violet



Dr Jordan Nguyen
Engineer and
Thought-leader

Customer experience at the forefront

Clients and families are at the heart of decision-making and our teams work hard to provide high-quality service and put our purpose, vision, and values into action.

- Outstanding **positive Net Promotor Score (NPS)** of above +80 achieved in Australia and New Zealand despite COVID challenges impacting service delivery and restrictions on attendees. NPS measures customer experience and indicates how likely a customer is to recommend a company or service.
- Development of a **self-serve portal** for client families to view arrangements virtually from the comfort of their homes, at any time, introduced for our Simplicity brand.
- Multilingual offering** launched for our Universal Chung Wah (UCW) brand.
- New industry-leading partnership with Memories**, an innovative digital legacy platform offering families a new way to share cherished moments through living timelines and online memorials via a website and app, and especially meaningful in these times of travel and attendance restrictions. Memories will be available through our funeral homes and memorial parks across Australia and New Zealand.

Diverse, respectful and inclusive teams supporting equality



Aligning our actions on diversity, equality and inclusion (DEI) with InvoCare's overarching business strategy is a guiding principle as DEI planning and initiatives evolve. For example, the introduction of the Family and Domestic Violence Leave policy in Australia is clearly linked to our community role and our brand reputation where we promote caring and respect. From a diversity perspective, we serve many different cultures and our inclusive funerals' planning is reflected in our workforce planning to cater for a variety of languages and diverse backgrounds.

In 2022 we will formalise our DEI strategy, setting clear targets and actions to achieve our goals.



Future focus: 2022 and beyond

› **Progressing health and safety initiatives**

To prevent injuries, enhance physical and psychological wellbeing programs to support the health benefits of good work.

› **Training and development**

Offering easier access to more employees to training and professional development, with an emphasis on career pathways and retention of talent.

› **Employee Value Proposition (EVP)**

An employee working committee will build on the foundations established by Aspire participants and lead preparation of our EVP, articulating our offering as an employer.

› **Diversity, Equity and Inclusion (DEI)**

We are focussed on developing a DEI roadmap and a multi-year portfolio of initiatives including an Indigenous Engagement Strategy.

› **New platforms and systems**

InvoPay, our new payroll platform, will deliver significant improvements in payroll and time-and-attendance. We are also progressing new recruitment, performance management, and learning and development platforms.

› **New ergonomically designed facilities**

The opening of our state-of-the-art shared services facilities in Tullamarine, VIC and Albion Park Rail, NSW will be followed by a number of new buildings opening across Australia and New Zealand, all ergonomically designed with the safety of our people and high standards at the core.



Our performance: Place

InvoCare businesses have long-term relationships with Place, with some of our brands having over a century of service to their community. We are proud of the contribution we make across each of our businesses — through our strong links with client families, our diverse product offerings serving cultural needs, as a contributor to local commerce, and as custodians of substantial areas of the natural environment in our many memorial parks.

Our commitment to Place also comes through partnership with socially responsible organisations and charities aligned to our business and ESG goals, and our efforts to increase resource efficiency through investment in clean, environmentally sound technologies and innovation.



8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Sustained, inclusive economic growth

Inclusive and multicultural services

Inclusive funerals — expanding our offerings, reflecting the diversity of our local communities in our services and our workforce — are a deliberate and concerted strategy for InvoCare and an important contributor to sustainability.

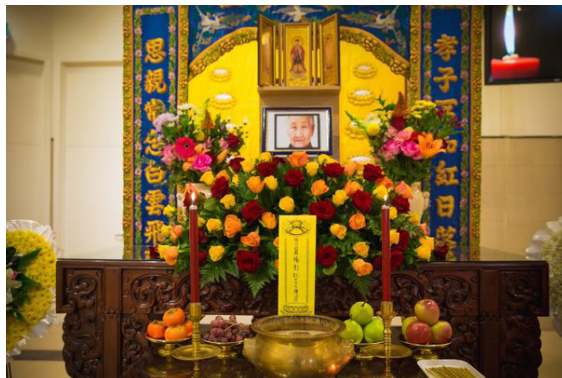
Multicultural service offering is the starting point, particularly in our Sydney and Melbourne markets. Our Galaxy Funerals business with locations in Burwood, Gladesville and Hurstville, NSW has a longstanding relationship with the Asian community, working respectfully across many religious beliefs and cultural customs, providing multilingual funeral services.

In partnership with TVB — **the largest Chinese television platform in Australia** — we held a special event in 2021 to commemorate the opening of Galaxy Funerals Burwood. TVB invited key local Chinese media personnel and community figures and organised the broadcast of the event on primetime Chinese television.

Le Pine Funerals previously integrated three smaller businesses with strong alignment to local communities into the Le Pine Funerals family. One of these — Le Pine Asian — caters for a diverse range of cultural and religious traditions, providing multilingual customised funerals for Melbourne's Asian community and continued to grow in 2021. We proudly offer **Melbourne's only dedicated Asian Funeral Hall** at Glen Waverley, customised for Buddhist and Taoist funerals. Mulqueen Funeral Services also offers **Provinciale Servizio Funebre Italiano** for the local Italian community in Melbourne.

Our Cemetery and Crematoria business continues to establish strong community relationships across many different cultural and community groups. Throughout 2021, building on a relationship initially formed at Castlebrook Memorial Park in 2020, Forest Lawn Memorial Park entered a long-term agreement with a community group.

As our inclusive funerals' strategy evolves, we will continue to expand to be representative of our society.



Contributing to community and sector

InvoCare's leaders are encouraged to play an active role as thought-leaders and contributors in our sector.

- › **Australasian Cemeteries & Crematoria Association (ACCA)**
Steve Nobbs, our Executive General Manager – Cemeteries and Crematoria, joined the ACCA board. ACCA is a non-profit professional organisation providing leadership, professional services and development, communication and networking platforms to the cemetery and crematorium industry.
- › **Australian Funeral Directors Association (AFDA)**
Matthew Hansen, our Queensland Funerals Regional Manager was elected as Queensland State President of AFDA and joined the National Council. InvoCare is represented by two members on each State Council.
- › **Funeral Directors Association of New Zealand (FDANZ)**
Rachel Benns, our Regional Manager for InvoCare Auckland became FDANZ's first-ever female president. FDANZ is an association of professionals who are committed to ensuring the families they serve receive high-quality funeral services. Its members represent 70 per cent of funerals carried out in New Zealand.
- › **Memories**
Tim Higgins, our Executive General Manager – International, Strategy and Innovation, was appointed as a Non-Executive Director of Memories Group Limited, creator of Memories, an innovative digital legacy platform offering families a new way to share cherished moments through living timelines and online memorials via a website and app.



Steve Nobbs



Matthew Hansen



Rachel Benns



Tim Higgins

Sustainable infrastructure and innovation

Workflow and shared services project

Confidence and trust are essential elements in the sustainability of our business, and it is important for client families that our operations are of the highest standards. In 2021, we commenced a major program focused on the operational workflow in our shared services locations. This program reinforced our commitment to leading our industry and meeting community expectations, in support of our core reputational and sustainability goals.

Engaging external expert advice and building in employee feedback from the 'subject-matter experts' who work in our facilities every day, a review and planning process was the first step in the program. The resulting upgrades of our operational standards will ensure we have leading-edge equipment and safe, purpose-built environments, and are part of a multi-year investment. Since 2019, major upgrades of shared services facilities have been completed at Fyshwick, ACT, Malaga, WA, Cairns, QLD, Victor Harbor, SA, Tullamarine, VIC and Albion Park Rail, NSW. We are already seeing tangible benefits, including for our focus on good health and wellbeing for our teams. This program of work will continue into 2022 and beyond.

The creation of the new National Accreditation Manager role for our Australian funerals business also underlines our commitment to quality standards within both national and international frameworks. This position is leading InvoCare's efforts to maximise operational standards and operational efficiencies.

Technology supporting innovation

InvoCare's business increasingly involves and relies on technology across the organisation. This is leading innovation in a traditionally highly conservative industry and supports our sustainability ambitions.

Along with major projects introducing a range of new online functionality and systems — to support services and client-facing offerings — cyber-security and cyber-resilience are top-of-mind in our risk mitigation strategy. In 2022, we will continue to build employee awareness of cyber-safety with mandatory training, multi-factor authentication for systems access, and implement stricter, safer protocols.

Our office goes green

In support of our new hybrid way of working, our Sydney Support Office was reduced in size and relocated to one of the state's most environmentally friendly high-rises — The Ark (also known as Coca-Cola Place) in North Sydney. The building has received numerous accolades for design excellence, particularly its green initiatives such as tri-generation power supply and greywater recycling.

It has a five-star NABERS energy rating and Six Star Green Star rating from the Green Building Council Australia.

Risk identification and mitigation

Risk management continues to guide decision making at InvoCare. Following continuous enhancements to our enterprise risk and compliance program in 2021, the coming year will see us further invest in our governance risk and compliance platform. In 2022, we will embed an enterprise-wide approach to identifying and testing the adequacy of controls and mitigants.



Asset revitalisation

A substantial capital investment in asset revitalisation over the past four years has focused on modernising and upgrading premises to ensure they meet our safe workplace standards and reflect InvoCare's brand in the community. As works and fit-outs of both owned and leased premises are planned, the InvoCare property team will take a conscious approach to the incorporation of energy-saving and environmentally sound design principles.

Inclusive, safe, resilient and sustainable communities

Celebrating longevity and connection in our local communities

We have over 300 funeral locations, 17 cemeteries and crematoria, and 16 pet cremation locations in the InvoCare network across Australia, New Zealand and Singapore, all of which are trusted names in their local communities. Many are longstanding brands with extensive history spanning decades.

Many of our funeral brands were established in the late 1800s or early 1900s:

- › David Lloyd Funerals in New South Wales is approaching its 130th anniversary in 2022
- › Le Pine Funerals in Victoria celebrated 130 years of service to the Melbourne community in 2021
- › George Hartnett Metropolitan Funerals in Queensland has a combined 145 years of service between the two brands
- › Our parks in New South Wales and Queensland are also celebrating their longstanding community service, notably 88 years in Northern Suburbs Memorial Park in Sydney
- › Singapore Casket recently celebrated 100 years of community support.



The Violet Initiative – reducing regretful outcomes at end-of-life

In 2021, we set a goal to offer practical and emotional counselling to bereaved families beyond the management of funeral and memorial arrangements. Our new partnership with The Violet Initiative (Violet, www.violet.org.au) – a not-for-profit working to reduce regretful outcomes in the last stage of life for Australians, their caregivers and their families – is a key step.

Violet provides free services, programs and resources to anyone caring for someone in the last stage of their life to help them be better prepared and supported on their journey.

We have commenced a pilot program to train members of our White Lady Funerals team in Victoria on how to refer families to Violet, as well as providing additional support to the team in the practice of their work. We look forward to continuing this program of work in 2022.

This partnership is a meaningful way for InvoCare to demonstrate industry leadership, enhance our employee experience, and improve society's relationship with death.



violet

Inclusive, safe, resilient and sustainable communities

International Women's Day

For a number of years, InvoCare has been supporting International Women's Day (IWD) events. In 2021, we supported a Brisbane IWD luncheon, which welcomed over 350 guests and featured a panel discussion facilitated by Nina Schrinner, Brisbane's Lady Mayoress, and Hetty Johnston, the founder of Bravehearts — Australia's leading child protection organisation working to prevent child sexual assault and exploitation. Speakers included Queensland Police Commissioner Katarina Carroll, Jeni Haynes, a survivor of child sexual abuse, and Sue and Lloyd Clarke, who established Small Steps 4 Hannah in memory of their daughter Hannah Clarke and her children, who were killed in a family violence attack. We were delighted to play a part in raising \$43,000 at the event, with all proceeds going to Small Steps 4 Hannah.

As the Clarke family navigated the funeral for Hannah and her children, George Hartnett Metropolitan funerals provided their support to the family, cementing a deep and lasting relationship with Small Steps 4 Hannah.



Working together to end the coward punch

In 2021, Le Pine Funerals officially partnered with the Pat Cronin Foundation, providing valuable funding to help the Foundation raise awareness and improve education to end the 'coward punch'. The Foundation was established in memory of Pat Cronin who, at 19 years old, lost his life after he was punched in the head from behind in a 'coward punch' incident. Pat was enormously popular and had a deep love for his family and friends. His death left a gaping hole in the Cronin family's lives and caused devastation among his friends and the broader communities in which the Cronin family have been involved. The Pat Cronin Foundation honours Pat by providing an optimistic voice to awareness, education and research about the coward punch.

Raising awareness and funds to stop domestic and family violence

An important focus area for InvoCare is working to end domestic and family violence and supporting those affected by it.

As dawn broke over Sydney's Martin Place on the morning of White Ribbon Day 2021, members of our White Lady Funerals team laid 52 white roses on empty chairs — a display representing the average of one woman per week killed by a current or former partner each year in Australia.

Guests and onlookers gathered for the event were handed white roses to engage them on this important issue and raise awareness for White Ribbon Australia, a not-for-profit part of a global social movement working to eliminate gendered violence. Around Australia, InvoCare teams promoted the day and helped to raise funds through White Ribbon Day talks, functions and morning teas.

White Ribbon is the world's largest movement engaging men and boys to end men's violence against women and girls, promote gender equality, and create new opportunities for men to build positive, healthy and respectful relationships.

Our partnership with White Ribbon Australia was announced in 2020 and is a key part of our commitment to raise awareness and help end domestic violence.

InvoCare recognises domestic violence can affect our employees either directly or indirectly and our partnership with White Ribbon Australia is already having a positive impact to provide invaluable support, with employees reaching out to share their own personal stories. In 2021, one employee stepped forward, once they felt comfortable and that the time was right, and was interviewed as part of White Ribbon Day communication to all InvoCare employees, bravely sharing their family's own experience with the tragedy of domestic violence.



Inclusive, safe, resilient and sustainable communities

Sharing our green spaces

InvoCare recognises the privilege and responsibility that comes from being the custodian of many beautiful green spaces across our Australian and New Zealand networks, which also hold special meaning for our clients' loved ones. With urban development increasing the community value of these spaces, our aim is to ensure our memorial parks are increasingly accessible for our client families and our community.

As part of our memorial park master planning process, a range of ideas are being scoped to make our facilities more available to local community groups and to continue to host established and future community events.

ANZAC Day

We continued to support local veterans and their families with commemoration events. Christine Wellfare from White Lady Funerals Caloundra (Queensland) went 'above and beyond', delivering personal care and attention by accompanying 94-year-old veteran Phil Wilkins to ANZAC Day and Remembrance Day services. At Pinegrove Memorial Park (New South Wales), we usually host the second-largest ANZAC Day dawn service in Sydney with previous years each hosting more than 1,000 guests. Due to COVID-19 restrictions the ANZAC Day event was unable to happen in 2021, so we moved to a low-key onsite event and our teams placed poppies on the war memorial or veterans' gravesites on behalf of those unable to attend.

We take great pride in the space our memorial parks offer as a peaceful environment, where lives can be recognised, celebrated and remembered.



Father's Day

Due to Sydney's COVID-19 lockdown, we hosted a thoughtful special event at Forest Lawn and Pinegrove Memorial Parks to help client families honour their fathers. The memorial park teams coordinated placement of a floral tribute and personalised card on behalf of those who could not visit in person.

We also livestreamed a Father's Day Memorial Service.



Future focus: 2022 and beyond

› Expanded use of memorial parks

We will explore 'Parks as a Destination' (including additional commemorative and special events in our parks), review our gardens in relation to native flora, beneficial insect gardens and potential for wildlife corridors/sanctuaries.

› Diverse products and inclusive funerals

Part of a future focus of our Sustainability Strategy is to review products and services, notably in support of inclusive funerals, so we can better serve our local communities.

› Digital transformation

Continuing innovative programs including e-commerce capability, multi-channel telephony and digital offerings for customers, and supporting the employee experience with new technology to improve efficiency and accessibility.

› Continued community investment

Development of a community engagement framework to identify opportunities for local and enterprise-wide investment and partnerships.





Our performance: Planet

InvoCare recognises that conserving and protecting the environment for future generations is critically important. We believe that business has an important role to play by focusing on climate change challenges and energy solutions, setting ambitious targets within our own operations to reduce our greenhouse gas emissions, increase recycling, reduce waste and promote responsible procurement.



Reliable, sustainable and modern use of energy sources

Sustainable products and services

At InvoCare, our goal is to innovate in ways that can make a genuine difference and offer a broader range of products that reduce the environmental impact of our business.

Sourcing and materials options for coffins and caskets are one example, with willow and wicker as an alternative to wooden products which form part of our range of coffins. Product options will be reviewed as our Planet programs develop, providing our client families with broader sustainable product and service choices.

Crematoria design upgrade

We are working in partnership with one of our crematoria providers to progressively install new more energy-efficient cremators across our business.

In late 2021, we installed a more energy-efficient cremator at Forest Lawn, New South Wales. The new vertical flue layout requires less fresh air and halves fan size creating a significant saving of energy use. In addition, the use of high-velocity 'Jet Finish' technology at the end of the cycle reduces the total cremation time, providing further reduction in overall gas usage.

“ At InvoCare, our goal is to innovate in ways that can make a genuine difference and offer a broader range of products that reduce the environmental impact of our business. ”

Energy consumption initiatives

During 2021, we worked on completing our greenhouse gas (GHG) inventory which, with the inclusion of pet cremations, has changed the proportion of our gas emissions to almost equal that of electricity. We will use 2022 to undertake an analysis of our energy use and identify energy-efficiency initiatives to reduce our environmental footprint.

We are developing a program to identify and install solar panels in our larger locations and work on solutions for the remainder, to reduce and manage consumption of energy. We will amend our design brief for energy-efficient new builds to consider solar panels as part of standard fit-out, technology upgrades and retirement of old, heavy-energy hardware, smart technology managing air-conditioning and lighting use, energy efficient glazing, rainwater capture and storage, and management of greywater.

Concurrently, we will investigate green energy options in the renewal of our electricity contracts commencing in late 2022. Alternative solutions for our LPG and natural gas crematoria business will require in-depth research into viable alternative fuel sources and processes, such as aquamation.

In November 2021, our installation of solar panels was completed at our Malaga operations centre in Western Australia. The facility — a new building that services the entire state — had 208 solar panels installed, which will result in significant emission reductions and energy savings.



Electric fleet trial underway

In 2021, we added 20 electric vehicles to our fleet, which are being evaluated for effectiveness in our working environment. Pinegrove Memorial Park in New South Wales is trialling a purpose-built park truck — the all-terrain vehicle is lightweight and agile to avoid grass indentation and has a tipper for back filling.

We are excited about the potential to lead the field and review electric hearses as part of our fleet. Our longer-term strategy will scope the migration of vehicles to hybrid or electric vehicles upon lease renewal.

Inclusive, safe, resilient and sustainable communities

Addressing modern slavery and ethical sourcing

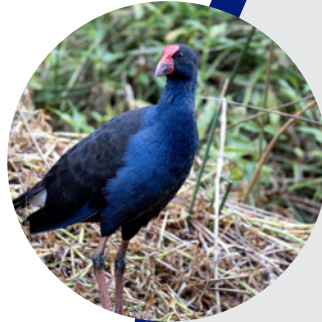
InvoCare recognises the importance of human rights to our employees, shareholders, clients and the communities in which we operate. We acknowledge our role and responsibility in seeking to safeguard human rights through ethical and sustainable business practices.

After developing our first modern slavery statement in late 2020, it was officially published on the Modern Slavery Register in early 2021 (modernslaveryregister.gov.au/statements/1485/). The statement covers our activities under four key areas — structure, operations and supply chain; vendor and outsourcing policy; recruitment and onboarding policy; and whistleblowers. We achieved our 2021 target and have established modern slavery provisions for high-risk category contracts.

During the year, we also established a compliance questionnaire for suppliers and tenders, allowing us to evaluate any potential risks in the supply chains. We are making modern slavery and ethical procurement part of our new supplier onboarding process through qualification questions and evidence for high-risk categories. We are also working with our granite and coffin suppliers to audit and identify any risks in their own supply chains.

InvoCare has traditionally had a mix of staff and contractors performing cleaning services. In 2021, we have consolidated a large number of our cleaning contracts in the Australian eastern states and engaged a provider with a robust modern slavery process. We will review any outstanding sites.

We will continue to improve the transparency of our multi-tier supply chain, working with suppliers to assess, identify and address risks on an ongoing basis.



Memorial park wetlands a valued natural and community space

InvoCare's commitment to Planet has been brought to life over the past two years at Allambe Memorial Park in Nerang, Queensland. Our team has partnered with Cedar Grove Landcare to rehabilitate the man-made wetlands in the park, which is a beautiful tropical environment reflecting the natural bush of the Gold Coast hinterland. The wetlands are a haven for local bird life and an important feature of the park's peace and serenity.

Cedar Grove Landcare is a not-for-profit organisation supporting and inspiring landholders to practise sustainable land management. Extending the life of the wetlands required specialised maintenance and collaboration between Cedar Grove Landcare and the Allambe team to improve visual amenity, reduce the impact of flooding, provide a habitat for plants, and to attract wildlife. We continued to collaborate with Cedar Grove in 2021, with the wetlands now also an educational and recreation resource for the community.



Responsible procurement practices and sustainable product offerings

Family Pet Care – Lawnswood and Edenhills introduce sustainable product offering

Family Pet Care — our largest pet cremation brand — has moved the printing of its packaging, marketing material, and certificates to 100 per cent recyclable card. This includes its brochures, biodegradable niche boxes, price lists, paw and cremation certificates and packaging items such as standard box sleeves and new ashes return bags.



Future focus: 2022 and beyond

› Modern slavery audit

A modern slavery audit of Australian suppliers will commence in 2022 to provide assurance with the Modern Slavery Act 2018. We will engage a third party to develop and deliver training to key teams. They will also undertake a review of our modern slavery statement to ensure compliance with the latest requirements of the Act.

› Minimising cremation impacts on the environment

We will continue to investigate alternative fuel sources and processes for our cremations business, such as aquamation.

› Electric fleet and hearses

A review of electric hearses and fleet vehicles in our funeral business, and further investment and trial of electric vehicles within our parks.

› Sustainable buildings

Standards in New Zealand and Australian operations are aligning to expand the eco-buildings strategy, including LED lighting, solar panels, greywater tanks, and sustainable building materials.

› Task Force on Climate-Related Financial Disclosures (TCFD)

Undertake assessment of TCFD to develop climate-related financial risk disclosures.

› Investigate greenhouse gas (GHG) emissions reduction initiatives

We will be reviewing immediate and long-term GHG emissions – reduction initiatives and opportunities.

› Use of chemicals and disposal of waste

We will commence a review to assess the use of chemicals in clinical settings and waste disposal.

2022 goals

Dimension of sustainability

	Aspect	Metric	2022 goal	
 <p>People</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Ensuring customer expectations are met	Net promoter score (NPS)	Maintain >80 NPS
	 <p>3 GOOD HEALTH AND WELL-BEING</p>	Mitigating physical injury and psychological harm	Total Recordable Injury Frequency Rate (TRIFR)	TRIFR reduced by 10%
	 <p>10 REDUCED INEQUALITIES</p>	Ensuring employees are happy in their roles	Employee engagement	+ 2 points
	 <p>10 REDUCED INEQUALITIES</p>	Ensuring women and men have equal opportunities	Gender balance	Within 60:40
 <p>Place</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Modern slavery risk mitigation	Modern Slavery Training for Procurement and Supply Chain teams	100%
	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>		Modern Slavery Training for Front Line Managers	80%
	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	Ensuring appropriate levels of return on capital employed (ROCE)	ROCE	>11%
 <p>Planet</p>	 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Minimising carbon emissions	Emissions	TBD*

*Confirm Greenhouse Gas (GHG) baseline in 2022



InvoCare

This presentation contains forward looking statements, which may be subject to significant uncertainties outside of InvoCare's control. No representation is made as to the accuracy or reliability of these forecasts or the assumptions on which they are based. Actual future events may vary from these forecasts.

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